

ORIGINAL

W-01583A-04-0178, W-01583A-05-0326, W-01583A-05-0340



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LAS QUINTAS SERENAS WATER CO

P.O. Box 68

Sahuarita, Arizona 85629

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STATE OF ARIZONA)
) SS
County of Pima)

Kaycee Conger, being duly sworn, states that on Monday, December 19, 2006, she delivered Public Notices of Hearing on the Application of Las Quintas Serenas Water Company for Authority to Implement an Arsenic Cost Recovery Mechanism (a copy of which is hereto attached) which were deposited in the United States Post Office in the Town of Sahuarita, Arizona, within sealed envelopes, postage prepaid, and duly addressed to each customer of record at his or her last known mailing address as it was recorded on the books of Las Quintas Serenas Water Company or as could otherwise be reasonably determined where no address existed.

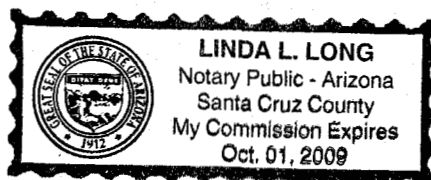
IN WITNESS WHEREOF, the undersigned party has executed this Affidavit of Mailing this 5th day of January 2006.

By: K Conger

SUBSCRIBED AND SWORN TO before me this 5th day of January 2006, by
Linda L. Long

My Commission Expires: Oct. 1, 2009

Linda L. Long
Notary Public



1/5/06

PUBLIC NOTICE OF HEARING ON THE APPLICATION OF
LAS QUINTAS SERENAS WATER COMPANY
FOR AUTHORITY TO IMPLEMENT AN ARSENIC COST RECOVERY MECHANISM
Docket No. W-01583A-04-0178 et al.

On May 15, 2005, Las Quintas Serenas Water Company ("Company") filed with the Arizona Corporation Commission ("Commission") an application for authority to implement a charge to recover the cost of new water treatment facilities needed to comply with new federal government drinking water standards. The new federal standards, which become effective January 23, 2006, reduce the maximum level of arsenic allowed in drinking water from 50 to 10 parts per billion. On May 2, 2005, the Company filed a Finance Application seeking authority to incur long-term debt in the amount of \$1,649,750 associated with the capital improvements needed to treat arsenic. The exact type of recovery mechanism has not yet been defined. If approved by the Commission, an additional charge to allow for recovery of the costs associated with arsenic treatment would be effective in the second quarter of 2006, and would increase the average monthly residential bill by an as yet undetermined amount. Copies of the Company's application and other filings are available for public inspection during the regular business hours at the Company's office, 75 West Calle De Las Tiendas, Suite 115B, Green Valley Arizona 85614, and at the Commission's Docket Control Center, 1200 West Washington, Phoenix Arizona 85007 or its Tucson office, 400 West Congress Street, Suite 218, Tucson Arizona 85701.

The Commission will hold a public hearing on this matter beginning **March 1, 2006 at 10:00 a.m.** at the Commission's offices, Room 222, 400 West Congress Street, Tucson Arizona. Public comments will be taken on the first day of the hearing.

The law provides for an open public hearing at which, under appropriate circumstances, interested parties may intervene. Intervention shall be permitted to any person entitled by law to intervene and having a direct and substantial interest in the matter. Persons desiring to intervene must file a written motion to intervene with the Commission no later than **February 14, 2006**. The motion to intervene must be sent to all parties of record, and shall contain the following:

1. The name, address and telephone number of the proposed intervenor and of any entity upon whom service of documents is to be made if different than the intervenor;
2. A short statement of the proposed intervenor's interest in the proceeding; and
3. A statement certifying that a copy of the motion to intervene has been mailed to all parties of record in the proceeding.

The granting of intervention, among other things, entitles a party to present sworn evidence at the hearing and to cross-examine other witnesses. However, failure to intervene will not preclude any interested person or entity from appearing at the hearing and providing public comment or from filing written comments in the record of the case. You will not receive any further notice of this proceeding unless you request it.

If you have any questions about this application, or want further information on intervention, you may contact the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix Arizona 85007 or call 1-800-222-7000.

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting Linda Hogan, ADA Coordinator, voice phone number 602-542-3931, E-mail LHogan@azcc.gov. Requests should be made as early as possible to allow time to arrange the accommodation.